

Moore&VanAllen

December 15, 2017

Scott M. Tyler
Attorney at Law

T 704 331 2463
F 704 378 1963
scotttyler@mvalaw.com

VIA ELECTRONIC FILING

Moore & Van Allen PLLC

Suite 4700
100 North Tryon Street
Charlotte, NC 28202-4003

Also Admitted in SC

Ms. Jocelyn G. Boyd
Chief Clerk and Administrator
The Public Service Commission of South Carolina
Synergy Business Park
101 Executive Center Drive
Columbia, South Carolina 29210

Re: Filing of Quarterly Monitoring Report by Piedmont Natural Gas Company, Inc.
Pursuant to S.C. Code § 58-5-430
Docket No. 2017-7-G

Dear Ms. Boyd:

Pursuant to Section 58-5-430 of the South Carolina Natural Gas Rate Stabilization Act, enclosed is the quarterly monitoring report for the twelve-month period ending September 30, 2017, for Piedmont Natural Gas Company, Inc.

If you have any questions regarding this filing, you may contact me at the numbers shown above.

Sincerely,

/s/ Scott M. Tyler
Scott M. Tyler

Enclosures

cc: Office of Regulatory Staff
James H. Jeffries IV
Pia Powers
Bruce Barkley

Charlotte, NC
Research Triangle Park, NC
Charleston, SC

Net Operating Income and Rate of Return
For The Twelve Months Ended September 30, 2017
South Carolina
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	(1)	(2)	(3)
	<u>Per Filing</u>	<u>Accounting And Pro Forma Adjustments</u>	<u>After Pro Forma Adjustments</u>
Operating Revenues			
Sale of Gas	\$ 133,298,754	\$ 25,181,357	\$ 158,480,111
Other Operating Revenues	639,621	-	639,621
Total Operating Revenue	<u>\$ 133,938,375</u>	<u>\$ 25,181,357</u>	<u>\$ 159,119,732</u>
Operating Expenses			
Cost of Gas	\$ 53,817,736	\$ 19,661,181	\$ 73,478,917
Other Operation & Maintenance	33,360,519	(4,055,172)	29,305,347
Depreciation	12,504,558	1,726,751	14,231,309
General Taxes	6,959,671	685,052	7,644,723
State Income Taxes	(1,312,234)	2,717,114	1,404,880
Federal Income Taxes	6,017,610	3,324,844	9,342,454
Amort. of ITC	(21,278)	-	(21,278)
Total Operating Expenses	<u>\$ 111,326,583</u>	<u>\$ 24,059,769</u>	<u>\$ 135,386,352</u>
Net Operating Income	<u>\$ 22,611,793</u>	<u>\$ 1,121,587</u>	<u>\$ 23,733,380</u>
Interest on Customer Deposits	(72,883)	-	(72,883)
Amortization of Debt Redemption Premium	-	-	-
AFUDC	473,377	-	473,377
Customer Growth	212,551	10,543	223,094
Net Operating Income For Return	<u>\$ 23,224,838</u>	<u>\$ 1,132,130</u>	<u>\$ 24,356,968</u>
Original Cost Rate Base			
Plant in Service	\$ 604,788,337	\$ -	\$ 604,788,337
Accumulated Depreciation	(225,657,606)	-	(225,657,606)
Net Plant in Service	<u>\$ 379,130,731</u>	<u>\$ -</u>	<u>\$ 379,130,731</u>
Add:			
Construction Work in Progress	21,302,215	-	21,302,215
Materials and Supplies	7,596,633	-	7,596,633
Cash Working Capital	5,670,943	(1,846,515)	3,824,429
Deduct:			
Customer Advances for Construction	-	-	-
Customer Deposits	2,067,919	-	2,067,919
Accumulated Deferred Income Taxes	78,910,070	-	78,910,070
Unclaimed Funds	119,126	-	119,126
Total Original Cost Rate Base	<u>\$ 332,603,407</u>	<u>\$ (1,846,515)</u>	<u>\$ 330,756,893</u>
Return on rate base	<u>6.98%</u>		<u>7.36%</u>

Net Operating Income and Rate of Return
For The Twelve Months Ended September 30, 2017
South Carolina
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	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	After Accounting and Proforma Adjustments								
	Per Books Capitalization	Accounting and Pro Forma Adjustments	Settlement Capitalization	Calculated Ratio %	Ratio %	Cost Net Investment	Embedded Cost %	Overall Cost Rate %	Net Operating Income
1. Long-Term Debt	\$ 2,032,008,897	\$ -	\$ 2,032,008,897	55.96%	47.00%	\$ 155,455,739	4.35%	2.04%	\$ 6,762,325
2. Common Equity	1,599,379,500	-	1,599,379,500	44.04%	53.00%	175,301,153	10.04%	5.32%	17,594,643
3. Total	<u>\$ 3,631,388,397</u>	<u>\$ -</u>	<u>\$ 3,631,388,397</u>	<u>100.00%</u>	<u>100.00%</u>	<u>\$ 330,756,892</u>		<u>7.36%</u>	<u>\$ 24,356,968</u>

CERTIFICATION

I, Lynn J. Good, state and attest, under penalty of perjury, that the attached Quarterly Monitoring Report is filed on behalf of Piedmont Natural Gas Company, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

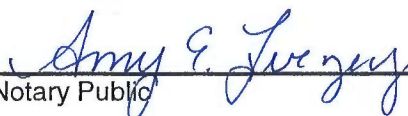


 Lynn J. Good
 Chairman, President and CEO

12-15-17

 Date Signed

Subscribed and Sworn to before me this
15th day of December, 2017.



 Notary Public

My Commission Expires 11/14/22.



CERTIFICATION

I, Steven K. Young, state and attest, under penalty of perjury, that the attached Quarterly Monitoring Report is filed on behalf of Piedmont Natural Gas Company, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

Steven K. Young

Steven K. Young
Executive Vice President and CFO

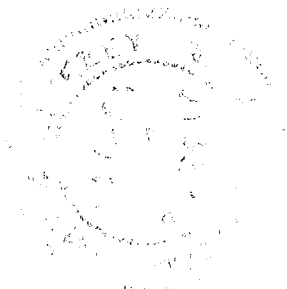
12/12/17

Date Signed

Subscribed and Sworn to before me this
12th day of December, 2017.

Amy E. Jwezy
Notary Public

My Commission Expires 11/16/22.



CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the attached document is being served this date via email and UPS Overnight upon:

Jeffrey M. Nelson
Office of Regulatory Staff
1401 Main Street
Suite 900
Columbia, South Carolina 29201
jnelson@regstaff.sc.gov

And that a copy of the attached document is being served this date via email or U.S. Mail upon:

Bruce Barkley
Vice President
Regulatory and Community Relations
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233
bruce.barkley@piedmontng.com

and

Pia Powers
Director – Gas Rates & Regulatory Affairs
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233
pia.powers@piedmontng.com

This the 15th day of December, 2017.

/s/ Richard K. Goley
Richard K. Goley